

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

S

SW-02849A  
Saddlebrooke Utility Company  
9532 E. Riggs Rd.  
Sun Lakes, AZ 85248

RECEIVED

MAY 15 2008

AZ CORP COMM  
Director Utilities

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2007
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FOR COMMISSION USE

ANN05	07
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S-16-00

Statutory Agent: James D. Hubbard

(Name)

9532 E. Riggs Rd.

(Street)

San Lakes

(City)

AZ

(State)

85248

(Zip)

(480) 895-9200

Telephone No. (Include Area Code)

(480) 895-0136

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: MARTY Aronson

(Name)

One E. Camelback Rd.

(Street)

Phoenix

(City)

AZ

(State)

85012

(Zip)

(602) 263-2972

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☒ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☒ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME Saddlebrooke Utility Company

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
351	Organization	21,369	Ø	21,369
352	Franchises			
353	Land and Land Rights	125,000	Ø	125,000
354	Structures and Improvements	53,595	28,597	24,998
355	Power Generation Equipment			
360	Collection Sewers – Force			
361	Collection Sewers – Gravity	6,588,901	1,030,636	5,558,265
362	Special Collecting Structures			
363	Services to Customers	1,459,295	155,933	1,303,362
364	Flow Measuring Devices			
365	Flow Measuring Installations			
370	Receiving Wells	1,552,060	628,063	923,997
380	Treatment and Disposal Equip.	6,155,872	2,397,919	3,757,953
381	Plant Sewers			
382	Outfall Sewer Lines	96,238	18,736	77,502
389	Other Plant and Misc. Equipment	130,092	77,954	52,138
390	Office Furniture and Equipment			
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	<b>TOTALS</b>	<b>16,182,422</b>	<b>4,337,838</b>	<b>11,844,584</b>

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

Saddlebrook Utility Company

**CALCULATION OF DEPRECIATION EXPENSE**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
351	Organization	21,369	Ø	Ø
352	Franchises			
353	Land and Land Rights	125,000	Ø	Ø
354	Structures and Improvements	53,595	3.40	1,824
355	Power Generation Equipment			
360	Collection Sewers – Force			
361	Collection Sewers – Gravity	6,588,901	1.71	112,802
362	Special Collecting Structures			
363	Services to Customers	1,459,295	1.57	22,890
364	Flow Measuring Devices			
365	Flow Measuring Installations			
370	Receiving Wells	1,552,060	6.70	103,956
380	Treatment and Disposal Equip.	6,155,872	4.82	296,642
381	Plant Sewers			
382	Outfall Sewer Lines	96,238	3.29	3,166
389	Other Plant and Misc. Equipment	130,092	10.44	13,585
390	Office Furniture and Equipment			
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	<b>TOTALS</b>	<b>16,182,422</b>	<b>3.43</b>	<b>554,865</b>

This amount goes on the Comparative Statement of Income and Expense Acct. 403

COMPANY NAME

### BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 91,745	\$ 70,462
132	Special Deposits	479,848	476,647
135	Temporary Cash Investments		
141	Customer Accounts Receivable	120,117	128,215
146	Notes/Receivables from Associated Companies	1,583,228	1,329,957
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	337,795	319,038
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 2,612,733	\$ 2,324,319
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 14,373,006	\$ 16,182,422
103	Property Held for Future Use		
105	Construction Work in Progress	9,160	303,620
108	Accumulated Depreciation – Utility Plant	(3,782,974)	(4,337,838)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 10,599,192	\$ 12,148,204
	<b>TOTAL ASSETS</b>	\$ 13,211,925	\$ 14,472,523

NOTE: Total Assets on this page should equal **Total Liabilities and Capital** on the following page.

COMPANY NAME Saddlebrook Utility Company

**BALANCE SHEET (CONTINUED)**

Acct No.	LIABILITIES	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$ 41,187	\$ 512,365
232	Notes Payable (Current Portion)		155,000
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	71,541	69,807
237	Accrued Interest	108,750	103,494
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 221,478	\$ 840,666
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 3,000,000	\$ 2,700,000
	<b>DEFERRED CREDITS</b>		
252	Advances in Aid of Construction	\$	\$
253	Other Deferred Credits		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$	\$
	<b>TOTAL LIABILITIES</b>	\$ 3,221,478	\$ 3,540,666
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 98,472	\$ 98,472
211	Other Paid in Capital	3,224,839	3,224,839
215	Retained Earnings	6,667,136	7,608,546
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 9,990,447	\$ 10,931,857
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 13,211,925	\$ 14,472,523

COMPANY NAME

Saddle Brooke Utility Company

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
521	Flat Rate Revenues	\$ 2,063,318	\$ 2,152,032
522	Measured Revenues	41,225	59,642
536	Other Wastewater Revenues	283,505	170,905
	<b>TOTAL REVENUES</b>	<b>\$2,388,048</b>	<b>\$ 2,382,629</b>
	<b>OPERATING EXPENSES</b>		
701	Salaries and Wages	\$ 187,618	\$ 186,893
710	Purchased Wastewater Treatment		
711	Sludge Removal Expense		
715	Purchased Power	197,114	234,212
716	Fuel for Power Production		
718	Chemicals	6,324	8,851
720	Materials and Supplies	144,079	107,397
731	Contractual Services – Professional	34,928	8,000
735	Contractual Services – Testing	23,564	27,034
736	Contractual Services – Other	50,820	50,820
740	Rents		
750	Transportation Expense		
755	Insurance Expense	14,739	18,072
765	Regulatory Commission Expense		
775	Miscellaneous Expense	51,255	50,422
403	Depreciation Expense	524,304	554,865
408	Taxes Other Than Income		
408.11	Property Taxes	122,589	117,240
409	Income Taxes		
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,357,334</b>	<b>\$ 1,363,806</b>
	<b>OTHER INCOME/EXPENSE</b>		
419	Interest and Dividend Income	\$ 159,464	\$ 147,025
421	Non-Utility Income	1,185	1,427
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(236,016)	(225,866)
	<b>TOTAL OTHER INCOME/EXPENSE</b>	<b>\$ (75,367)</b>	<b>\$ (77,414)</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ 955,347</b>	<b>\$ 941,409</b>

COMPANY NAME

Saddle Brook Utility Company

**SUPPLEMENTAL FINANCIAL DATA****Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	01/18/96			
Source of Loan	IDA Bonds			
ACC Decision No.	59134			
Reason for Loan	Construction			
Dollar Amount Issued	\$ 3,950,000	\$	\$	\$
Amount Outstanding	\$ 2,855,000	\$	\$	\$
Date of Maturity	Various			
Interest Rate	7.25 %	%	%	%
Current Year Interest	\$ 212,244	\$	\$	\$
Current Year Principle	\$ 145,000	\$	\$	\$



<b>COMPANY NAME</b>	Saddlebrooke Utility Company
<b>Name of System:</b>	<b>Wastewater Inventory Number (if applicable):</b>

**WASTEWATER COMPANY PLANT DESCRIPTION**  
**TREATMENT FACILITY**

<b>TYPE OF TREATMENT</b> (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	Package Plant with primary Clarifier and Tertiary treatment facilities
<b>DESIGN CAPACITY OF PLANT</b> (Gallons Per Day)	1,240,000

**LIFT STATION FACILITIES**

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
See ATTACHED				

**FORCE MAINS**

Size	Material	Length (Feet)
4-inch	PVC	1,772
6-inch	PVC	8,046
< 4-inch	PVC	8,002
> 6-inch	PVC	2,797

**MANHOLES**

Type	Quantity
Standard	1006
Drop	11

**CLEANOUTS**

Quantity
133

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

### Lift Station Facilities

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
Construction Yard	2	1	50	1,000
Unit 7	2	3	50	1,020
Unit 9	2	75	140	677
Unit 19	2	3	140	888
Unit 27	2	5	120	380
Unit 32	2	20	500	1,800
Unit 21 North	2	15	131	1,197
Unit 21 South	2	88	275	1,795
Unit 46	2	20	600	1,800

COMPANY NAME	SaddleBrooke Utility Company
Name of System:	Wastewater Inventory Number (if applicable):

### WASTEWATER COMPANY PLANT DESCRIPTION (CONTINUED)

#### COLLECTION MAINS

Size (in inches)	Material	Length (in feet)
4	PVC	6,302
6		
8	PVC	267,159
10	PVC	2,787
12		
15		
18		
21		
24		
30		
3	PVC	760

#### SERVICES

Size (in inches)	Material	Quantity
4	PVC	5,112
6		
8		
12		
15		

### FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY PER WASTEWATER SYSTEM

<b>SOLIDS PROCESSING AND HANDLING FACILITIES</b>	Centrifuge
<b>DISINFECTION EQUIPMENT</b> (Chlorinator, Ultra-Violet, Etc.)	Ultra-Violet
<b>FILTRATION EQUIPMENT</b> (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	Sand and Anthracite
<b>STRUCTURES</b> (Buildings, Fences, Etc.)	Comminuter, Influent Pump Station, Package Plant, blowers, generators, equalization basin, filters, UV disinfection, effluent
<b>OTHER</b> (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)	Microscope and Vehicles

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

COMPANY NAME	Saddlebrook Utility Company
Name of System:	Wastewater Inventory Number (if applicable):

### WASTEWATER FLOWS

MONTH/YEAR (Most Recent 12 Months)	NUMBER OF SERVICES	TOTAL MONTHLY SEWAGE FLOW	SEWAGE FLOW ON PEAK DAY
January	4,498	16,255,000	568,000
February	4,517	13,978,000	574,000
March	4,529	16,439,000	584,000
April	4,549	14,935,000	607,000
May	4,557	13,227,000	480,000
June	4,563	11,447,000	435,000
July	4,568	12,461,000	522,000
August	4,572	12,053,000	545,000
September	4,574	11,904,000	437,000
October	4,579	13,031,000	571,000
November	4,584	14,174,000	536,000
December	4,589	14,798,000	665,000

### PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE PER WASTEWATER SYSTEM

Method of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	Reuse NPDES
Groundwater Permit Number	100356
ADEQ Aquifer Protection Permit Number	N/A
ADEQ Reuse Permit Number	P1000356
EPA NPDES Permit Number	AZ0022853

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

COMPANY NAME Saddlebrook Utility Company YEAR ENDING 12/31/2007

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported Ø  
Estimated or Actual Federal Tax Liability Ø

State Taxable Income Reported Ø  
Estimated or Actual State Tax Liability Ø

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances Ø  
Amount of Gross-Up Tax Collected Ø  
Total Grossed-Up Contributions/Advances Ø

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
SIGNATURE

5-8-08  
DATE

James Poulos  
PRINTED NAME

General Manager  
TITLE

COMPANY NAME Saddlebrook Utility Company YEAR ENDING 12/31/2007

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2007 was: \$ 119,753.80

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**SADDLEBROOKE UTILITY COMPANY**9531 E Riggs Rd  
Sun Lakes, AZ 85248-7411JPMorgan Chase Bank, N.A.  
201 N Central Ave Dept 383  
Phoenix, AZ 85038

91-2/1221

**304513****Pay**

Date	Amount
04/13/07	\$****61,205.74

**SIXTY ONE THOUSAND TWO HUNDRED FIVE AND 74/100 \*\*\*\*\***

Dollars



To  
The  
Order  
Of

**JIM L TURNBULL - PINAL COUNTY TREASURER**  
**PINAL COUNTY TREASURERS OFFICE**  
**PO BOX 729**  
**FLORENCE, AZ 85232-0729**

SIGNATURE AREA CONTAINS A KNIGHT &amp; FINGERPRINT CHECK WORDING

⑈304513⑈ ⑆122100024⑆ 0519 4342⑈

ABSENCE OF PINK/IR PATENT NUMBERS UNDER SIGNATURE INDICATES CHECK IS FAULTEFUL. PATENT NUMBERS ARE PRINTED WITH HEAT SENSITIVE INK &amp; WILL DISAPPEAR WHEN BLOWING OR CURRING.

For Deposit Only  
 J.P. Morgan Chase Bank  
 Pinal County Treasurer  
 >13248988<

↑  
 KNIGHT  
 FINGERPRINT

TOYOTA  
 HEADLIGHT  
 OR  
 OTHER LIGHTING

Location	Acct #	Original Acct #	Check #	Original Check #	Amount	Original Amount	Issue Date	Paid Date
CD	5194342	5194342	304513	304513	\$61,205.74	\$61,205.74		4/19/2007
Original Paid Date	Sequence	Customer Data	Bank #	Original R/T Number	GL Category	CD Valid/CIMS Key		
4/19/2007	2210358155		601	601		20070430337201		
CD Label	Process Control							
20070430337201								

THIS CHECK IS VOID WITHOUT A GREEN &amp; BLUE BORDER AND BACKGROUND PLUS A KNIGHT &amp; FINGERPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW

**SADDLEBROOKE UTILITY COMPANY**9532 E Riggs Rd  
Sun Lakes, AZ 85248-7411JPMorgan Chase Bank, N.A.  
201 N Central Ave Dept 383  
Phoenix, AZ 85038

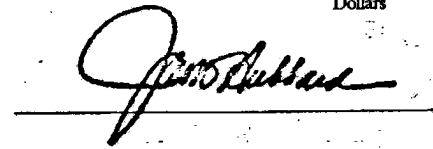
91-2/221

**310324****Pay**

Date	Amount
10/05/07	\$****58,548.06

**FIFTY EIGHT THOUSAND FIVE HUNDRED FORTY EIGHT AND 06/100 \*\*\*\*\***

Dollars

To  
The  
Order  
Of**L PAUL LARKIN - PINAL COUNTY TREASURER**  
**PINAL COUNTY TREASURERS OFFICE**  
**PO BOX 729**  
**FLORENCE AZ 85232-0729**


SIGNATURE AREA CONTAINS A KNIGHT &amp; FINGERPRINT CHECK WORDING

⑈310324⑈ ⑆122100024⑆ 0969 1135⑈

ABSENCE OF PINK U.S. PATENT NUMBERS UNDER SIGNATURE INDICATES CHECK IS FRAUDULENT. PINK PATENT NUMBERS ARE PRINTED WITH HEAT SENSITIVE INK &amp; WILL DISAPPEAR WHEN BLOWING OR RUBBING

**THIS CHECK ALSO CONTAINS THE FOLLOWING SECURITY FEATURES which are covered under U.S. Patents 5,641,183, 5,785,553, 5,984,354 & 6,161,000:**

1. Absence of the **Knights Fingerprint** in the endorsement area above & the U.S. Patent No. 5,641,183, which indicates that this check is fraudulent. The area is printed with a pink heat sensitive ink that will disappear when blowing or rubbing.
2. The back of this check contains a **Knights Fingerprint** watermark. The area is printed with a pink heat sensitive ink that will disappear when blowing or rubbing.
3. Signature area on the front contains a **Knights Fingerprint** watermark. The area is printed with a pink heat sensitive ink that will disappear when blowing or rubbing.
4. Artificial invisible **Blue Fluorescent Watermark** in the signature area on the back of the check. The area is printed with a pink heat sensitive ink that will disappear when blowing or rubbing.
5. **Micro Printing** in the borders on the face & back. Under magnification look for **Fingerprint Security** wording. The left & right border is multicolored.

**TO VIEW WATERMARKS HOLD AT ANGLE OR UNDER BLACKLIGHT**

**KNIGHT'S FINGERPRINT**

**FINGERPRINT**

**DO NOT WRITE, STAMP OR SIGN BELOW - RESERVED FOR FINANCIAL INSTITUTION USE**

**THIS CHECK IS VOID WITHOUT A MULTICOLORED BACKGROUND ON THE FRONT AND THE SAME BACKGROUND IN THE ENDORSEMENT AREA. THE CHECK ALSO CONTAINS AN ARTIFICIAL KNIGHT'S & FINGERPRINT WATERMARK. SEE BELOW FOR ADDITIONAL SECURITY FEATURES.**

**U.S. PATENT NO. 5,641,183, 5,785,553, 5,984,354 & 6,161,000**

**THIS CHECK IS VOID WITHOUT A MULTICOLORED BACKGROUND ON THE FRONT AND THE SAME BACKGROUND IN THE ENDORSEMENT AREA. THE CHECK ALSO CONTAINS AN ARTIFICIAL KNIGHT'S & FINGERPRINT WATERMARK. SEE BELOW FOR ADDITIONAL SECURITY FEATURES.**

**U.S. PATENT NO. 5,641,183, 5,785,553, 5,984,354 & 6,161,000**

Location	Acct #	Original Acct #	Check #	Original Check #	Amount	Original Amount	Issue Date	Paid Date
CD	9691135	9691135	310324	310324	\$58,548.06	\$58,548.06	10/12/2007	
Original Paid Date	Sequence	Customer Data	Bank #	Original R/T Number	GL Category	CD Valid/CIMS Key		
10/12/2007	6310605922		601	601		20071031136901		
CD Label	Process Control							
20071031136901								



**VERIFICATION  
AND  
SWORN STATEMENT**  
Taxes

**VERIFICATION**

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>James L Poulos - General Manager</u>
COMPANY NAME	<u>Saddlebrooke Utility Company</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2007</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

[Signature]

SIGNATURE OF OWNER OR OFFICIAL

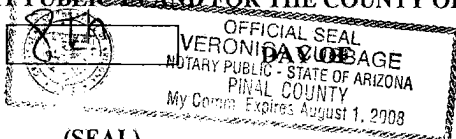
(480) 895-4200

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



(SEAL)

MY COMMISSION EXPIRES

8/1/2008

COUNTY NAME	<u>Pinal</u>
MONTH	<u>May</u>
	<u>2008</u>

Veronica D'Avella

SIGNATURE OF NOTARY PUBLIC

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**VERIFICATION**

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
<u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>James L Poulos - General Manager</u>
COMPANY NAME
<u>Saddlebrook Utility Company</u>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2007</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 2,384,708

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 4,349  
IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

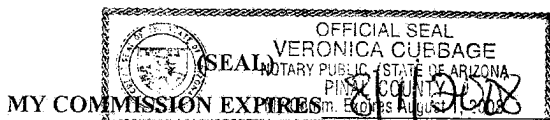
8th

DAY OF

[Signature]  
SIGNATURE OF OWNER OR OFFICIAL  
(480) 895-4200  
TELEPHONE NUMBER

COUNTY NAME
<u>Pinal</u>
MONTH
<u>May</u> , <u>2008</u>

Veronica Cubbage  
SIGNATURE OF NOTARY PUBLIC



**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

**VERIFICATION**

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Maricopa</u>	
NAME (OWNER OR OFFICIAL) <u>James L Poulos</u>	TITLE <u>General Manager</u>
COMPANY NAME <u>Saddlebrooke Utility Company</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES  \$ <u>2,198,574</u>
--

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 0  
IN SALES TAXES BILLED, OR COLLECTED

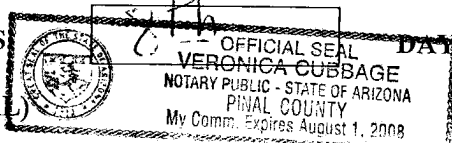
\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

X [Signature]  
SIGNATURE OF OWNER OR OFFICIAL  
(480) 895-4200  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

(SEAL)



MY COMMISSION EXPIRES

8/1/2008

NOTARY PUBLIC NAME <u>Veronica Cabbage</u>
COUNTY NAME <u>Pinal</u>
MONTH <u>May</u>   <u>2008</u>

X [Signature]  
SIGNATURE OF NOTARY PUBLIC